

EX 2

SERVICE AREA AGREEMENT BETWEEN  
ILLINOIS POWER COMPANY AND  
SOUTHEASTERN ILLINOIS ELECTRIC COOPERATIVE, INC.

AGREEMENT entered into as of the 19th day of March, 1968 between ILLINOIS POWER COMPANY, an Illinois corporation (Illinois Power) and SOUTHEASTERN ILLINOIS ELECTRIC COOPERATIVE, INC., an Illinois not-for-profit corporation (Southeastern).

Illinois Power and Southeastern each have existing electric facilities and are providing electric service to consumers in a territory which is comprised of substantial parts of Saline and Gallatin Counties, Illinois. In order to avoid duplication of facilities and to minimize disputes which may result in inconvenience and diminished efficiency of electric service to the public, Illinois Power and Southeastern, each being an "Electric Supplier" as that term is defined in the Electric Supplier Act, approved July 2, 1965, do enter into this Agreement for the purpose of defining and delineating, as between themselves, Service Areas in which each is to provide electric service.

In consideration of the mutual covenants and undertakings herein contained, Illinois Power and Southeastern AGREE as follows:

Section 1. "Party" as used herein means one of the parties to this Agreement.

"New customer" as used herein means any person, corporation or entity, including an existing customer, who applies for electric service at a point of delivery not energized or not in existence on the effective date of this Agreement.

"Effective date" as used herein means the date of the approval of this Agreement by the Illinois Commerce Commission.

"Coal mining operations" as used herein means the mining and production of coal, and does not include the transportation of coal from the mine premises or the producing or mining of any other mineral, oil or gas.

"Peabody Coal Company" as used herein means and includes said company, its successors and assigns.

Section 2. The rights which either party acquires or releases under the terms of this Agreement shall apply only within the Service Areas delineated on Exhibit 1 and defined in Section 3, shall apply only to such rights as are governed by the Electric Supplier Act, approved July 2, 1965, and shall have no application to any other electric supplier.

Section 3. A. Illinois Power and Southeastern hereby establish a territorial boundary line delineating Service Areas (the Service Area or Areas) of each party, within parts of Saline and Gallatin Counties, Illinois, shown on Exhibit 1, which is attached hereto and made a part hereof.

B. The areas in Saline, Gallatin, Pope, Hardin, Hamilton, Franklin, Williamson and Johnson Counties, Illinois, in which Southeastern has existing electric facilities on the effective date, although not shown on Exhibit 1, shall be deemed part of Southeastern's Service Area but shall not be subject to any of the provisions of Sections 4 and 5 hereof. Illinois Power will not extend its lines into said areas for the purpose of serving any new customers without the consent of Southeastern, provided, however, that Illinois Power's rights under the Electric Supplier Act, approved July 2, 1965, with respect to its existing 138 Kv electric line in Franklin County and its existing 230 Kv electric line in Franklin, Williamson and Johnson Counties shall not be affected by this Agreement.

Section 4. Except as otherwise provided in or permitted by Sections 4, 5 and 8 of this Agreement, each party shall have the exclusive right to serve all customers whose electric service points of delivery are located within its Service Areas and neither party shall serve a new customer within the Service Areas of the other party, provided, however, that:

A. Either party may continue to serve its existing customers at such points of delivery located within a Service Area of the other party which are energized or in existence on the effective date.

B. Except with respect to customers engaged in coal mining operations, each party shall have the right to serve all new customers in the territory east of Illinois Highway Route 1, whose delivery points are within its Service Area as shown on Exhibit 1.

C. Coal mining operations in the Service Areas located east of Illinois Highway Route 1, as shown on Exhibit 1, shall be served as follows:

(1) Southeastern shall serve the following electric requirements of the Peabody Coal Company Eagle Mine:

- (a) The slope mine;
- (b) The preparation plant until July 1, 1971; and
- (c) The office and shop building.

(2) Illinois Power shall serve the following electric requirements of the Peabody Coal Company Eagle Mine:

- (a) The present stripping shovel, drill and loader or any specific replacement thereof;
- (b) A second stripping shovel, drill and loader when installed;
- (c) All motors required for the conveyor belt extending between the preparation plant and the stockpile;
- (d) The preparation plant beginning on July 1, 1971; and
- (e) The following activities in Section 31, Township 9 South, Range 10 East, and in Section 6, Township 10 South, Range 10 East of the 3rd Principal Meridian, Gallatin County, Illinois;
  - (f) All motors required for the conveyor belt extending between the stockpile and loading dock;
  - (ii) Stockpile operations; and
  - (iii) Loading operations on the Ohio River and the loading dock.

(3) Southeastern shall serve the electric requirements of the Peabody Coal Company underground mine known as Mine No. 90 located in the Southwest Quarter of the Southwest Quarter of Section 15; the North Half of the Northeast Quarter of Section 21, the Southeast Quarter of the Northeast Quarter of Section 21 and that part of the East Half of the Southeast Quarter of Section 21 lying North of the right of way of the Baltimore and Ohio Railroad in Section 21; the West Half of the Northwest Quarter of Section 22; the Southeast Quarter of the Southwest Quarter of Section 16, the South Half of the Southwest Quarter of Section 16, and that part of the North Half of the Southeast Quarter and of the Northeast Quarter of the Southwest Quarter of Section 16 which lies Southerly of the centerline and the extensions of the centerline of the drainage ditch extending in a Northeasterly and Southwesterly direction through the North Half of the South Half of Section 16; all in Township 9 South, Range 9 East of the Third Principal Meridian, Gallatin County, Illinois.

In the event that Peabody Coal Company Mine No. 90 is relocated or abandoned prior to the rendition of any electric service by Southeastern, the provisions of Section 4 of this Agreement shall be renegotiated by the parties.

(4) Illinois Power hereby releases whatever rights it may have to, and shall not render any electric service for or in connection with, any new coal mining operations started by Peabody Coal Company or any other person or entity after the effective date in the Area shown on Exhibit 1 as east of Illinois Highway Route 1 and south of Illinois Highway Route 13.

(5) Except as provided in Section 4.C.(3) above, Southeastern hereby releases whatever rights it may have to, and shall not render any electric service for or in connection with, any new coal mining operations started after the effective date in the Area shown on Exhibit 1 as east of Illinois Highway Route 1 and north of Illinois Highway Route 13.

D. A party who receives a written application for electric service from a new customer whose demand is estimated to exceed 1,000 kilowatts during the first year of service for a permanent facility and whose point of delivery would be located within a Service Area west of Illinois Highway Route 1, as shown on Exhibit 1, shall notify the other party of such request within ten days. Within thirty days thereafter, the parties shall seek to determine who shall provide the proposed electric service and, in such connection, if the demand for the first year of service to a permanent facility is estimated (based on evidence furnished by the customer and agreed to by the parties) to exceed 1,500 kilowatts, they shall be guided by the provisions of the Electric Supplier Act. A new customer whose demand is so estimated to be less than 1,500 kilowatts during the first year of service to a permanent facility shall be served by the supplier of the Service Area shown on Exhibit 1 in which its said facility is or will be located. In the event that the parties are unable to determine which supplier shall serve a customer whose demand is estimated to exceed 1,500 kilowatts as aforesaid, either may initiate proceedings under the Electric Supplier Act, approved July 2, 1965, for the purpose of having such determination made by the Illinois Commerce Commission.

Section 5. A. If any territory in a Service Area of Southeastern shown on Exhibit 1 shall, after the effective date, be annexed to a municipality in which Illinois Power holds an electric franchise in effect on the date of such annexation, the territorial boundary line delineating Service Areas provided for in Section 3 A. shall not apply to any new customers in such annexed territory. Within thirty days after the date of such annexation, the parties shall seek to determine which party shall provide electric service to any such new customers, and, in that connection, shall be guided by the provisions of the Electric Supplier Act, approved July 2, 1965, and the general principle that the Service Areas as determined in this Agreement shall continue to be Service Areas of the respective parties.

B. The parties shall not oppose by official action each other's efforts to secure authorization to provide electric service, which either may be required to obtain from any incorporated municipality under the provisions of the Electric Supplier Act, approved July 2, 1965, for any annexed area assigned by any amendment to this Agreement or for any annexed area which the Illinois Commerce Commission determines that either party is entitled to serve.

Section 6. Either party may construct new lines and may maintain, operate, renew and replace existing electric facilities in the Service Areas of the other party. New construction shall not alter or affect the right of either party to provide electric service to any new customer. Each party shall cooperate with the other party in obtaining rights of way and construction clearances for new lines through its Service Area.

Section 7. The parties undertake to furnish reasonable and adequate service to the customers each is or may be entitled to serve under this Agreement, provided, however, that this undertaking is solely

for the benefit of customers and is intended to be enforced only in accordance with the provisions of Section 9 of the Electric Supplier Act, approved July 2, 1965, by Southeastern's customers, and only in accordance with the Public Utilities Act by Illinois Power's customers.

Section 8. If either party should request the other to furnish permanent electric service to a customer who the requesting party is entitled to serve by virtue of this Agreement and the other party does render such service, this Agreement shall not thereby be voided but shall otherwise remain in full force and effect. Nothing herein shall be construed to prevent the parties and any customer from reaching an agreement which would permit either party to furnish temporary electric service without prejudice to the rights of either party under this Agreement.

Section 9. Any agreement between the parties which is made pursuant to the provisions of Sections 4, 5, 8, or 12 shall be in the form of a written amendment to this Agreement, shall be made subject to the approval of the Illinois Commerce Commission and shall be jointly presented to the Commission for its approval by the parties.

Section 10. The rights and obligations of the parties to this Agreement shall be binding upon, and shall inure to the benefit of, their successors or assigns.

Section 11. This Agreement shall be executed in four counterparts, each of which shall constitute an original.

Section 12. Illinois Power and Southeastern shall jointly submit this Agreement to the Illinois Commerce Commission for its approval. On the date of approval by the Commission, this Agreement shall become effective and shall continue in full force and effect until or unless it is amended or rescinded by a written agreement and such amendment or rescission is approved by the Commission.



Within thirty days after notice being sent by Southeastern to Illinois Power and Peabody Coal Company, temporary electric service from Illinois Power now being received by Peabody Coal Company shall cease and the provisions of this Agreement shall become effective; provided, however, that in order to avoid undue interference with Peabody Coal Company's coal mining operations at Eagle Mine and Mine No. 90, the changeover of electric service under this Agreement shall be scheduled within such thirty-day period at a time and date acceptable to Peabody Coal Company.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed and its corporate seal to be affixed by its duly authorized officers, as of the day and year first above written.

ILLINOIS POWER COMPANY

By N. G. Meenen  
Chairman of the Finance Committee

ATTEST:

C. E. [Signature]  
Secretary

(SEAL)

SOUTHEASTERN ILLINOIS ELECTRIC  
COOPERATIVE, INC.

By Ray [Signature]  
President

ATTEST:

H. E. Hunt  
Secretary

(SEAL)

## STATE OF ILLINOIS

## ILLINOIS COMMERCE COMMISSION

Illinois Power Company	:	
and	:	
Southeastern Illinois Electric	:	
Cooperative, Inc.	:	
	:	ESA 80
Joint petition for approval of an	:	
agreement defining service areas	:	
pursuant to Section 6 of the Elec-	:	
tric Supplier Act.	:	

O R D E R

By the Commission:

On the 20th day of March, 1968, Illinois Power Company and Southeastern Illinois Electric Cooperative, Inc., filed with this Commission a joint verified petition for approval of an agreement, dated March 19, 1968, defining and delineating certain service areas of the petitioners in Saline, Gallatin, Pope, Hardin, Hamilton, Franklin, Williamson and Johnson Counties, Illinois.

The Commission, having examined said petition and said agreement, is of the opinion and finds that:

- (1) Illinois Power Company is a corporation engaged, among other things, in the generation, transmission, distribution and sale of electric energy in the State of Illinois, is a public utility within the meaning of the Public Utilities Act, approved June 29, 1921, as amended, and is an electric supplier within the meaning of the Electric Supplier Act, approved July 2, 1965;
- (2) Southeastern Illinois Electric Cooperative, Inc. is an Illinois not-for-profit corporation engaged in furnishing and distributing electric energy and is an electric supplier within the meaning of the Electric Supplier Act, approved July 2, 1965;
- (3) the Commission has jurisdiction of the subject matter hereof and of the parties hereto;
- (4) attached to the petition herein is a copy of said agreement marked Exhibit A, with a map referred to therein and marked Exhibit 1;
- (5) said agreement is in the public interest and should be approved by this Commission in order to avoid duplication of the petitioners' facilities and disputes between petitioners which could result in inconvenience and diminish efficiency in electric service to the public.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the service area agreement, dated March 19, 1968, filed by Illinois Power Company and Southeastern Illinois Electric Cooperative, Inc., be, and the same is hereby, approved insofar as it relates to the definition and delineation of service areas in Saline, Gallatin, Pope, Hardin, Hamilton, Franklin, Williamson and Johnson Counties, Illinois.

By order of the Commission this 22nd day of May, 1968.

(SIGNED) JAMES W. KARBUR

Chairman

(S E A L)

WSC/kl